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WHOSE TRADE ORGANIZATION? The Comprehensive Guide to the WTO

By **Lori Wallach and Patrick Woodall**
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NO FTAA!



Everything you need to know to stop NAFTA expansion



A BETTER WORLD IS POSSIBLE!

NO FTAA!

Everything you need to know to stop NAFTA expansion

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Africa Action
www.africaaction.org

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www.womensedge.org

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(español)
www.igtn.org

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Just Act!
www.justact.org

Sierra Student Coalition
www.ssc.org

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www.usstudents.org

United Students Against Sweatshops (USAS)
www.usasnet.org

Economic Policy Institute (EPI)
www.epinet.org

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www.jwj.org

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www.uswa.org

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www.mexicosolidarity.org

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Sweat Shop Watch
www.sweatshopwatch.org

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www.naacp.org

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mental Justice (SNEEJ) (español)
www.sneej.org

Southwest Organizing Project (español)
www.swop.net

TransAfrica Forum
www.transafricaforum.org

TABLE OF CONTENTS

- 2** Meet the FTAA
- 7** Why You Should Care
- 10** FTAA: A Bad Deal for Workers
- 14** Environmental Issues:
Trashing the Continent
- 17** You Are What You Eat:
Corporate Agriculture vs.
Family Farmers
- 19** Corporate Globalization's
Disproportionate Impact on
People of Color
- 23** Women and the Global
Economy: What's Trade Got to
Do With It?
- 25** Globalization and Militarism:
Two Sides of the Same Coin
- 28** The FTAA from a Faith
Community Perspective
- 29** Alternatives to the FTAA:
What do We Stand For?
- 30** Take Action: How YOU Can
Help Stop the FTAA
- 31** Alphabet Soup: Trade and
Globalization Glossary
- 34** Links

MEET THE FTAA



What is the FTAA?

The Free Trade Area of the Americas (FTAA) is a proposal to expand the failed North American Free Trade Agreement (NAFTA) to all of the countries in the Western Hemisphere, except Cuba. Given NAFTA's damage to workers, farmers and the environment in the U.S., Mexico and Canada, the notion of expanding it to 31 more countries is crazy—except from the perspective of the transnational corporations who have profited at our expense under NAFTA. Trade ministers from 34 nations are negotiating this "NAFTA for the Americas" behind closed doors right now. The purpose of FTAA: to handcuff our local democracy with every country required to rewrite its laws to meet one-size-fits-all FTAA terms that enhance corporate control and intensify the "race to the bottom" in wages and labor standards, food safety and environmental health. FTAA would include hundreds of pages of rules to which every country must conform all of their national, state and local policies: how essential services such as water, education, health care and electricity are provided; how local tax dollars can be spent; whether meat can be inspected or pesticides banned for food safety; and whether a community can zone against sprawl or keep toxic dumps out of residential areas. Only a small part of a FTAA would be about trade between countries. And those trade rules would pit U.S. workers, already forced by NAFTA into direct competition with their Mexican counterparts—who are starving on \$4/day wages—against even lower-paid and more exploited workers in Haiti, Guatemala and other FTAA countries.

Organic Consumers Association (OCA)
www.organicconsumers.org

Environment

Environmental Health Coalition (español)
www.environmentalhealth.org

Friends of the Earth (FoE)
www.foe.org

Sierra Club
www.sierraclub.org

Faith Community

Center of Concern
www.coc.org

Maryknoll Office for Global Concerns
www.maryknoll.org

Methodist Church, General Board of Church and Society (GBCS)
www.umc-gbcs.org

National Interfaith Committee for Worker Justice (NIJWC)
www.nicwj.org

Globalization and Militarization

SOA Watch
www.soawatch.org

United for Peace and Justice (UFPJ)
www.ufpj.org

International

Continental Campaign Against the FTAA (español)
www.movimientos.org/noalca

Hemispheric Social Alliance (HSA) (español)
www.asc-has.org

Convergence of Movements of the Peoples of the Americas (COMPA) (español)
www.compasite.org

Labor and Workers Rights

AFL-CIO
www.aflcio.org/stopftaa

Communications Workers of America (CWA)
www.cwa-union.org/international/ftaa

WTO: The Geneva-based 148-member World Trade Organization was established in 1995 and enforces, administers and advances negotiations on 17 "Uruguay Round" agreements on agriculture, investment, intellectual property, services and other issues. The WTO system, rules and procedures are undemocratic, non-transparent and systematically prioritize commerce over all other goals and values. Countries are required to ensure "conformity of their laws, regulations and administrative procedures" to WTO rules. Laws found to violate WTO rules must be eliminated or changed, or the violating country faces trade sanctions. The WTO sets its agenda at ministerial meetings every two years.

LINKS!

*Websites with information in Spanish are noted by having (español) next to the name of the organization.

Trade

The Alliance for Responsible Trade (ART) (español)
www.art-us.org

Citizens Trade Campaign (CTC) (español)
www.citizenstrade.org

Global Exchange (español)
www.globalexchange.org

Public Citizen's Global Trade Watch (GTW) (español)
www.tradewatch.org

United for a Fair Economy (UFE) (español)
www.faireconomy.org
www.economiajusta.org

Agriculture & GMOs

Food First (español)
www.foodfirst.org

Institute for Agriculture and Trade Policy (IATP)
www.iatp.org

National Family Farm Coalition (NFFC)
www.nffc.net

National Farmers Union (NFU)
www.nfu.org

Fight Back!

The FTAA can and will be defeated if people from all over the country and throughout the hemisphere come together to say "NO FTAA: A BETTER AMERICAS IS POSSIBLE!" The FTAA, like the Multilateral Agreement on Investment (MAI)—which public opposition killed in 1998—represents a megalomaniacal over-reach of corporate greed. It would unleash an extreme attack on basic democratic rights and human needs. As a result, the FTAA contains the seeds of its own destruction. Resistance is growing daily. Over 10 million Brazilians voted against the FTAA in an informal referendum and major grassroots "No FTAA" campaigns now are occurring throughout the U.S., Latin America and the Caribbean. Tens of thousands of people mobilized against the 7th FTAA Ministerial in Quito, Ecuador in November 2002. Meanwhile, the hemisphere's political scene is shifting with critics of unfettered corporate globalization elected in Brazil (Luis Inacio "Lula" da Silva), Venezuela (Hugo Chavez) and Argentina (Nestor Kirchner). In the U.S., a broad coalition of national and local labor, environmental, consumer, immigrants' rights, farmworker, Latin American solidarity, family farm, women and people of color organizations joined together to mobilize a week of action in November 2003 around the 8th FTAA Ministerial in Miami, Florida.

The Same Interests Who Foisted NAFTA on Us Are Pushing FTAA

Emboldened by their victory in ramming NAFTA through Congress, corporate America teamed up with their White House friends in 1994 to demand a hemisphere-wide NAFTA. The U.S. organized a "Summit of the Americas" in Miami where trade ministers from Latin America and the Caribbean were pressured into signing off on the launch of negotiations. The office of the U.S. Trade Representative (USTR) "represents" the U.S. in FTAA talks. USTR now is headed by Robert Zoellick, a corporate lawyer whose zealous devotion to free trade ideology systematically overrides considerations of the national or public interests.

Labor unions, environmental and consumer organizations, family farm coalitions and other public interest groups representing the people who would be affected by FTAA largely have been shut out of the negotiations. In contrast, over 500 corporate representatives serve on official U.S. government trade advisory

committees, where they have access to the secret FTAA documents that most Members of Congress have never even seen (see box). FTAA negotiations occur in secret. After years of pressure, a draft text was only finally made public during the 7th year of negotiations. An updated draft was released in 2002. Civil society groups' demands for formal FTAA working groups on democratic governance, labor and human rights, consumer health and safety and the environment have been rejected. Instead, a sham "Committee of Government Representatives on Civil Society" was established. This isn't really a committee, just a postal "in-box" leading to oblivion because it includes no process to move submissions into the actual negotiations!

An Illustrative List of Corporations with Access to FTAA Documents

AOL-Time Warner, Archer Daniels Midland Company, Cargill, Coca Cola, Dow Chemical, General Electric, General Motors, Halliburton, International Paper Company, Kraft Foods, Levi Strauss, Pfizer, Procter and Gamble, and Xerox.

How Do FTAA Negotiations Work?

In the early 1990s, trade ministers from FTAA countries met annually at summit sessions. However, after the 1995 Mexican peso crisis dimmed NAFTA's image and jarred the region's economic stability, little negotiating occurred until the April 1998 "Santiago Summit of the Americas" in Chile. There, a "Trade Negotiations Committee" (TNC) was set up consisting of Vice Ministers of Trade from each FTAA country. Nine working groups comprised of lower-level officials tasked with day-to-day negotiations were also established. Since then, these working groups have met every few months. The TNC meets several times a year, plus there is an annual FTAA ministerial where countries' Trade Ministers review draft texts and make key decisions. The FTAA also is often discussed at the "Summit of the Americas" which brings Presidents and Prime Ministers together yearly.

The FTAA negotiating process is remarkably secretive and unaccountable. First, because seven years of these talks occurred during a time when Congress had refused to delegate Fast Track trade negotiating authority to the

not an FTA model like NAFTA. It includes common immigration, labor and other policies, as well as and special trade and investment preferences for signatory nations.

Plan Colombia: In July 2000, the U.S. Congress approved Plan Colombia, a funding package for Colombia totaling \$1.3 billion, mostly for Colombian security forces, but also for aerial fumigation of coca crops to fight the "War on Drugs." This aid package has done little more than inflame a complicated conflict that already places civilians in the crossfire and destroys huge quantities of legitimate subsistence crops.

PPP: The Plan Puebla Panama is a \$20 billion, 25-year industrial transportation and infrastructure development project that runs from the state of Puebla, Mexico south to Panama. The project will create the physical infrastructure necessary for corporations to have easy access to the region's natural resources and cheap labor pool, displacing indigenous and campesino communities and devastating the environment.

SOA: The School of the Americas (better known as the School of the Assassins) is a U.S. government-run, taxpayer-funded combat training facility for Latin American and Caribbean military and police forces.

SAPs: Structural Adjustment Programs are packages of neoliberal economic, budget austerity and social policy conditions imposed on developing countries by international financial institutions such as the World Bank and the IMF as loan conditions. SAPs restructure a country's economy and laws to prioritize above all other goals the earning of hard currency to make interest payments. SAPs typically require privatization, the gutting of labor laws and cuts in government social spending.

World Bank: The World Bank is an international financial institution founded at the same time as the IMF in 1944 that makes loans and grants to developing countries. These loans are typically conditioned upon government efforts to cut spending and commit to a range of other neoliberal policies that the Bank advocates.

TAKE ACTION : HOW YOU CAN HELP STOP THE FTAA



Spread the word about FTAA/NAFTA expansion!

We must build strong public demand for change. Share information about FTAA with your friends, family, coworkers and activist allies. We can help you plan teach-ins and panel discussions, show videos and organize discussion groups at your school or in your community to get the word out.

Ask your elected officials about FTAA!

We must ensure our elected officials represent our interests. One way to force your Senators and Member of Congress to become more informed about FTAA is to ask them questions and demand answers. We have sample letters asking about FTAA's threat to democracy, labor and human rights standards, the environment, and public health and safety. Plus, your Member of Congress generally is back in the congressional district every Friday through Monday, often with open local office hours or attending public events where you can ask questions face to face. Always mention that you are a constituent and ask for a written response.

Get published in your local paper!

We can provide sample op-ed pieces and letters-to-the-editor for you to place in your hometown paper, community newsletter, and/or university paper.

Make your voice heard on the airwaves!

Talk radio shows are a great popular education opportunity! Participate in local call-in and talk radio shows to get the word out about FTAA/NAFTA expansion. Plus, try calling your local stations to ask the news departments to air pieces on FTAA. Offer to help organize radio debates for local public affairs shows.

Get active NOW!

Encourage all fair trade, labor, women's, religious, human rights, environmental and economic justice groups and any other progressive groups with which you are affiliated to get involved in the No FTAA/ NAFTA expansion campaign. Local protests, rallies

WHY YOU SHOULD CARE

More Job Losses, Low Wages

FTAA would grant new rights for corporations and put new constraints on government—meaning increased power for large corporations to play workers throughout the hemisphere off of each other in a race to the bottom in wages, benefits and conditions in which all working people lose. The FTAA rules would create all the wrong incentives: companies that destroy U.S. jobs would be rewarded with higher profits and companies preferring not to relocate would be punished by unfair FTAA competition running them out of business. The agriculture rules proposed for the FTAA would also further consolidate the power of large agribusiness meaning the bankruptcy of more family farmers while consumer food prices continue to increase.

The Corporate Power Grab Means You Lose Control

FTAA is slated to include the outrageous "investor-to-state" lawsuits that allow foreign corporations to sue governments in closed FTAA tribunals for private enforcement of the corporations' FTAA privileges. Just like NAFTA's "Chapter 11" investor protections, these FTAA terms mean foreign corporations can demand to be paid taxpayer funds when they claim that labor, environmental or other public interest policies undermine their profits. Using the rules in NAFTA, U.S.-based Ethyl Corp. extracted \$13 million in damages from Canadian taxpayers and forced the reversal of a ban on the gasoline additive MMT, which ruins cars' anti-pollution devices and is a suspected neurotoxin. In another case, U.S.-based Metalclad Corp. got \$16 million from the Mexican government after claiming that an environmental zoning law which forbid the company from opening a toxic waste dump near a town violated its NAFTA investor rights.

FTAA's Threats to Local Schools, Hospitals, Water Systems and Other Essential Public Services

The draft FTAA text contains extensive requirements to "liberalize" services. This aspect of FTAA could mean increased deregulation and privatization of public services such as schools, prisons, municipal

water systems, postal services, social security and Medicare/Medicaid—with the resulting decline in quality of services and higher costs for consumers. It also could weaken national licensing standards for medical, legal and other professionals (for example, allowing nurses licensed in one country to practice in any country, even if the level of training or technical experience is different).

GMOs: FTAA Frankenfoods

The U.S. wants to use FTAA to force biotechnology and genetically modified organisms (GMOs)—foods and seeds—down other countries' throats. Under proposed FTAA patent and agricultural rules, countries seeking to regulate GMOs could be challenged as violating FTAA. Yet, regulating GMOs is vital. GMO seeds are patented, meaning traditional subsistence farmers would be forced to buy expensive seeds every season, rather than using seeds saved from previous crops as they have done for generations. Many farmers would lose their land to this expense and those remaining would be dependent on transnational seed corporations. Plus, GMOs have not been proved safe for consumers and have been shown to threaten the environment. The U.S. has already filed a complaint at the World Trade Organization (WTO) against the European Union's regulation of GMOs. This suit could set the precedent for treatment of GMOs under FTAA. U.S. negotiators even want to make the labeling of GMO food (so that consumers can choose whether to eat it or not) an "illegal barrier to trade"! The bottom line: FTAA will promote the interests of biotech and agribusiness giants like Archer Daniels Midland, Cargill and Monsanto over the interests of small family farmers and consumers concerned about the safety of this untested technology.

Big Pharma Loves FTAA: High Prices for Life-saving Medicines

Big drug companies want the FTAA because it would require every signatory country to issue monopoly-control patents (exclusive intellectual property rights) on medicines. Holders of such patents are able to limit production and thus can jack up prices. This means many people who need medicine cannot afford it, while drug companies reap huge profits by selling smaller volumes at higher prices. NAFTA's extreme patent rules provided pharmaceutical companies with new tools to stop generic production of cheaper, life-saving

ALTERNATIVES TO THE FTAA: WHAT DO WE STAND FOR?

Excerpted from: "New Rules for the Global Economy," Citizens Trade Campaign (CTC)

The global economy is not a creation of nature, but the product of political decisions driven by powerful economic interests. The real issue in the debate over U.S. trade policy is what rules should govern the global economy, whose interests they should serve and who should write them. We propose the development of rules that benefit the many rather than the few, to be written and enforced as democratically and openly as possible.

- Environmental, labor, health, and other public interest standards and policies must not be undermined;
- Global labor, environmental, and other public interest standards must be strengthened to prevent a global "race to the bottom;"
- Raising standards in developing countries requires additional assistance and respect for diversity of development paths;
- The provision and regulation of public services such as education, healthcare, transportation, energy, water, or other utilities are basic functions of democratic government and must not be undermined;
- The right of state and local governments to create and enforce diverse policies must be safeguarded from forced standardization;
- Countries must be allowed to give priority to sustaining family farms and achieving global food security;
- Healthy national economies are essential to a healthy global economy;
- The development of new rules for the global economy requires more democracy, transparency, and accountability, not less.

THE FTAA FROM A FAITH COMMUNITY PERSPECTIVE

Excerpted from: Maria Riley, Center of Concern, "The Faith Community on the FTAA"

This era of trade liberalization and corporate-globalization brings a particular challenge to faith communities and all people of faith. The principles of "free trade" are concerned with economic results in terms of wealth creation and wealth accumulation. They are not considerate of issues at the heart of the concerns of faith communities, such as social and economic justice, human rights and the integrity of creation. The FTAA is but one of many efforts to move this form of corporate-globalization forward. The concerns of communities of faith are rooted in the belief that persons are carriers of their own human dignity. It is governments' responsibility to protect and promote the dignity and human rights of all citizens and residents in that the human family is bound together in our common human dignity. In judging economic policy, a guiding principle is that people are not for the economy—the economy is for people. Economic justice, which supports the common good, is essential to truly human life and community. In the era of globalization, the common good is not only local and national—it is global.

The age of globalization and economic integration challenges communities of faith to continue to expand both their understanding and the boundaries of their solidarity. The faith community must have a vision and structure of solidarity, which recognizes the unity and community of the human family across national boundaries, race, ethnicity, class, gender, culture and religious faiths. Religious solidarity embraces the reality that peoples' lives and well-being are deeply connected across all boundaries; that only together can we flourish as individuals, nations and earth. Let us, therefore, come together to advocate for an equitable and sustainable system of international trade and work against the FTAA!

drugs. The USTR is pushing Big Pharma's agenda of expanding these constraints hemisphere-wide, including to Brazil which has saved tens of thousands of lives by providing generic AIDS drugs to its citizens. Meanwhile, the proposed FTAA patent rules protect "bio-pirates." These are companies that lock down patents on traditional medicines—meaning the indigenous sources of the "traditional knowledge" are robbed of their cultural heritage while their potential wealth is expropriated into corporate coffers.

As the deadline for reaching agreement nears, the FTAA is on increasingly shaky ground. Citizens in the U.S. and abroad are escalating their opposition activities. A growing number of governments involved in the talks are questioning the FTAA model. The collapse of the Cancun WTO Ministerial highlighted how dissatisfied many countries are with more of the same globalization model. More and more Members of the U.S. Congress who have previously supported "free" trade initiatives, like NAFTA and the WTO, are re-thinking their positions and questioning key portions of the FTAA. Throughout Latin America and the Caribbean, popular movements are forcing regime change and rejecting the failed neoliberal agenda. However, at the same time the corporate pro-FTAA campaign is fat with cash. Corporate pressure on Congress to support FTAA is mounting. The Bush Administration has made clear that it will spare no expense and stop at nothing to try to lock in the corporate agenda—whether citizens in the U.S. or other countries want it or not. We can preempt this pain. An ounce of prevention is worth a pound of cure: The FTAA does not yet exist—we can make sure it never does!

NO FTAA: ANOTHER AMERICAS IS POSSIBLE!



FTAA: A BAD DEAL FOR WORKERS



Already under 10 years of NAFTA, family after family and community after community has suffered from the destruction of millions of good jobs. Manufacturing workers who have lost their jobs to NAFTA typically have

only been able to find new work in the service sector at wages 23-77 percent less than what their previous positions paid. Overall, 3 million U.S. manufacturing jobs have been lost since April 1998, many due to NAFTA or WTO-related factory closures. Under just one U.S. Department of Labor program to help NAFTA victims, 525,094 U.S. workers have been certified to receive government assistance.

What would an FTAA mean for the region's 755 million workers?

- Large-scale displacement of workers
- Ever-declining wages
- Less job security
- Continuing attacks on labor standards

Under NAFTA, the very real threat to move a plant to Mexico has often been used to bust unions and also to depress wages. Ten years of NAFTA has shown that, when corporations are given these new rights and privileges they often use them to pick up and move to another country with weaker labor rights—especially when U.S. workers demand safer working conditions, fair wages, or the right to form a union. A study by Prof. Kate Bronfenbrenner of Cornell University found that in union organizing or contract campaigns in the U.S. after NAFTA's passage, over half of the firms threatened to close their plants if the union was successful. When forced to bargain with a union, 15 percent of the firms that had made threats actually closed all or part of a plant—triple the follow through rate of threatened closures before NAFTA.

Meanwhile, there is a growing body of real life data to support the prediction of trade theory that trade liberalization causes greater income inequality—with a larger share going to capital and a smaller share to workers. Using

putting pressure on these governments not to agree to the FTAA's expansion of economic empire. Corporate globalization has failed to improve people's lives; instead it has worsened conditions. Not surprisingly, as seen recently in Bolivia, people living under intolerable conditions become ungovernable by governments that have failed to represent their interests and fulfill their needs. As neoliberal arguments and rationalizations are increasingly de-legitimized and belied by their damaging results, proponents of corporate globalization have turned to brute force to defend their failed experiment.

SOA: The Hidden Fist behind U.S. Trade Policy

The Georgia-based U.S. Army School of the Americas (SOA) uses U.S. taxpayer funds to train Latin American soldiers in combat, counterinsurgency and counter-narcotics operations. After human rights' and religious leaders' persistent protests focused scrutiny on the "School of the Assassins", the government changed the SOA's name to the Western Hemisphere Institute for Security Cooperation. The SOA is part of the U.S. Southern Command, the military division responsible for all things Latin American. Its mission includes, "protecting the supply of strategic natural resources and access to markets." At least eighteen of the high-level Mexican military officers sent to repress the 1994 Zapatista uprising were SOA graduates. In the 49 years prior to NAFTA, Mexico sent only 766 soldiers to the school. For 1997 alone, the number of Mexican attendees was 333, demonstrating the extent to which the Mexican government has become more dependent on military force to quell popular resistance to corporate globalization.

caused by corporate globalization has been met with greater militarization and domestic policing. Weapons of Mass Destruction have yet to be discovered in Iraq and neither Iraqi democracy nor American security has been advanced by the occupation. As many Americans realize, only the corporate interests of Exxon, Halliburton and Bechtel, among others, are advancing. It is no coincidence that the Bush Administration's favorite corporations are the beneficiaries of the Iraq invasion, nor is it surprising that the Administration's follow up policy to the invasion is to propose a new Middle East free trade agreement.

What would such a trade pact mean for that region? Consider ten years of NAFTA. It has devastated the livelihoods of working people in the U.S., Canada and Mexico. The day NAFTA went into effect, the Zapatistas rose up to say *iYa Basta!* in the south of Mexico and were met with forceful repression by the Mexican government that has continued and intensified over time. Since NAFTA, there also has been increased militarization along the U.S.-Mexico border to prevent the migration of workers whose local economies have been decimated. Meanwhile, the interests of the corporate elite are further perpetuated by several policies aimed at building military and corporate infrastructure that are being pushed parallel to an FTAA agreement. In the region, Plan Puebla Panama (PPP) and Plan Colombia are displacing indigenous communities and seizing control of transportation and natural resources under the joint logic of security and trade.

NAFTA's results show us the end of the FTAA, PPP, Plan Colombia path: economic and military attacks on working people, campesinos and the environment. The FTAA will follow this legacy of greater poverty, inequity, and indebtedness, along with accelerating the destruction of the environment. Like the PPP and NAFTA, the FTAA likely would be accompanied and enforced by increased militarization throughout the Western Hemisphere as those being devastated by these policies are forcefully countered.

The FTAA has generated widespread opposition throughout Latin America and the Caribbean where the movement against it has helped spawn the Hemispheric Network on Militarization. In nations like Brazil, Argentina, and Venezuela widespread public opposition is

estimates made by pro-NAFTA economists of the impact of trade on income inequality and adding to it the indirect impact of trade on workers' wages via de-unionization and other factors, economists from the Center for Economic Policy Research estimate that trade liberalization has cost the 75 percent of U.S. workers without college degrees an amount equal to 12.2 percent of their current wages. For a worker earning \$25,000 a year, this loss would be slightly more than \$3,000 per year!

U.S. median wages have not caught up to 1972 levels, even though the country enjoyed an unprecedented period of economic growth in the 1990s. Indeed, while U.S. median wages grew 85 percent from Post World War II to 1972, in the next three decades real wages grew only 7 percent while the share of GNP represented by trade doubled.

When confronted with these numbers, FTAA boosters argue that trade agreements like NAFTA, WTO or the proposed FTAA have nothing to do with this unacceptable situation. This is a lie: the draft FTAA and other international trade and investment agreements provide specific new rights and protections that drastically expand the power of multinational corporations vis-à-vis workers, unions, consumers and communities. Not only would an FTAA be without binding rules promoting labor rights, but many existing worker safety, fair wage and other policies could be attacked as illegal trade barriers.

For instance, under NAFTA investment, market access and services rules that are the models for FTAA, corporations are granted special new privileges if they relocate to another NAFTA country. These special benefits—such as an absolute right to open a new service company or acquire land or take over a factory without government interference—are included in the draft FTAA. Plus, draft FTAA rules would guarantee that the goods produced more cheaply overseas because of lower wages, and weaker environmental and safety standards are guaranteed special access back into the U.S. consumer market for sale. The result? A race to the bottom that has no end, where U.S. living wage jobs in the U.S. are transformed into dangerous starvation-wage sweatshop jobs in developing countries, and workers lose out on both ends.

Even the typical \$4/day wage in Mexico's maquiladora manufacturing plants is considered too high by many corporations. Before NAFTA, some 550,000 workers toiled in these plants. After seven years of NAFTA, that number peaked at almost 1.3 million. In mid-2003, the Financial Times reported that almost 500,000 of the 750,000 new maquila jobs that sprouted up after NAFTA had moved on to take advantage of \$1/day wages in China, Vietnam and Indonesia. As General Electric's head of Mexico operations Edmundo Vallejo told The Wall Street Journal in April 2003: "Mexico still has a lot to offer. But two of its advantages—low cost labor and cheap currency—are gone." Mexican workers' wages have not risen, rather GE, like so many other corporations, has moved on to countries with even lower wages, labor and environmental standards.

Save our Services (S.O.S)!

As proposed, the FTAA also would include rules pushing privatization and deregulation of "services"—including essential public services such as education, hospitals, social security, libraries, mail delivery, police and prisons, water and sewage and energy. One way to understand what is meant by "services" is just about anything you cannot drop on your foot. Thus, retail stores, banking, hotels and insurance, communications, toxic waste processing and more are also included. The draft FTAA text requires governments to give foreign corporations equal access to compete with government services if any private domestic businesses are allowed to operate in a service sector.

"Education is not a commodity to be sold, schools are not factories, and students are not products. This is about democracy and sovereignty, and the FTAA poses serious threats to both. Do we want policy about what our children learn being decided by (secret) trade tribunals? Absolutely not!"

*David Chudnovsky, President
British Columbia Teachers' Federation*

In the U.S., almost all services are provided through a mix of government and private operators—from elder care and education to healthcare and busses. Under proposed FTAA rules, governments would be required to give the private, for-profit service providers the

GLOBALIZATION AND MILITARISM: TWO SIDES OF THE SAME COIN

"The hidden hand of the market will never work without a hidden fist – McDonald's cannot flourish without McDonnell Douglas, the builder of the F-15. And the hidden fist that keeps the world safe for Silicon Valley's technologies is called the United States Army, Air Force, Navy and Marine Corps."

*Thomas Friedman
New York Times Magazine March 28, 1999*



As we stand in opposition to corporate globalization, we should also consider the military counterpart of the economics of empire. We must remain vigilant and active around the occupation of Iraq—where corporate interests linked to the Bush Administration are literally taking over—and U.S. soldiers and Iraqi civilians are perishing daily. We must monitor rumors of further preemptive wars and work to halt the ongoing war-by-other means waged on peoples' daily lives by institutions like the WTO, IMF, World Bank and NAFTA. The latest manifestation of the economics of empire is the proposed FTAA.

The great irony of "free" trade agreements is that while governments are put under strict rules that handcuff their ability to legislate in the public interest, to provide basic services for citizens, or to protect labor rights and the environment, the one area in which a government retains the unfettered right to exercise its sovereignty is in its military interests. Essentially, the "free" trade model narrowly equates national interests with military interests.

For instance, within the draft FTAA text there is a "Security Exception" clause that would allow governments to retain otherwise FTAA-forbidden policies and actions if they are justified on national security grounds. This includes spending billions of dollars to train and arm a military establishment. In many countries around the world, the growing gap between the wealthy and the poor

Executive Branch. Fast Track strictly limits Congress' role regarding trade pacts to a "yes" or "no" vote on a completed deal, with no amendments allowed and only 20 hours of debate. Under Fast Track, the President can negotiate and sign agreements before Congress votes on them. It is in effect until 2005 with potential for renewal until 2007.

FTAs: Free Trade Agreements are pacts between two countries or a grouping of countries. The U.S. has completed bilateral negotiations with Jordan, Israel, Chile and Singapore and is in the process of negotiations with Central America (CAFTA), Australia, Thailand and Bahrain. The current set of FTAs is sweeping in scope and includes extreme NAFTA provisions that have also been proposed in the FTAA.

IDB: The InterAmerican Development Bank is a regional version of the World Bank, providing loans for large infrastructure projects in the Americas (such as PPP). IDB is a key FTAA negotiations advisor.

IMF: The International Monetary Fund was originally established to help nations with short-term cash crunches related to trade financing and to manage the gold-standard currency valuation system. However, the IMF has morphed into providing long-term loans to developing countries on the condition that countries reorganize their laws and economies to prioritize making payments on their loans over all other goals.

Maquiladoras/Maquilas: Maquiladoras or Maquilas generally refers to factories set up in export processing zones and typically owned by foreign corporations where imported components are assembled by low wage workers for re-export to consumer markets. One well-known maquiladora zone is along the U.S./Mexico border, but maquiladoras exist throughout the hemisphere and workers there typically face extremely long hours, low wages and horrible labor conditions.

Mercosur: The Mercado Comun del Sur (Mercosur) was formed in 1991 as a regional common market agreement between Argentina, Brazil, Paraguay and Uruguay (Chile and Bolivia are associate members). Mercosur is a common market model (similar to the EU),

No Thanks to NAFTA: NAFTA's Ten Year Disaster

- 525,094 U.S. workers have been officially certified as NAFTA casualties under just one government job loss program. The Economic Policy Institute (EPI) estimates that NAFTA cost the U.S. 766,000 actual and potential jobs in its first seven years alone;
- A small pre-NAFTA U.S. trade surplus with Mexico has become a huge deficit—that hit \$37 billion in 2002. Meanwhile, China, Europe and other non-NAFTA nations maintained surpluses with Mexico;
- The majority of U.S. manufacturing workers losing jobs to NAFTA have ended up in service jobs that pay 23-77 percent less than their previous jobs;
- More than a million Mexican farm families (and counting) have lost their livelihood and land to the flood of subsidized agricultural imports dumped on their markets by large American agribusinesses;
- The relocation of U.S. companies to Mexican border areas—where basic environmental regulation and infrastructure for sewage, toxic treatment and safe drinking water are lacking—has meant that environmental diseases there, including hepatitis, are at two or three times the U.S. average;
- Mexican workers in these plants make \$4/day or less while suffering hazardous conditions and massive anti-union intimidation;
- In 12 instances, public health, environmental, economic development, public service or other public interest polices were attacked in secret NAFTA tribunals where corporations can sue governments for unlimited cash damages.

President, these "unauthorized" talks progressed without any meaningful congressional oversight. Second, there is no written record of countries' positions or interventions. This means only countries with large negotiating staffs and their own resources to track the process have full information. Thus, when governments change in small countries and new representatives are sent into the process, they must rely on their negotiating opponents to tell them where the talks stand and what their country's past position was!

The Nine FTAA Negotiating Groups

- 1) Agriculture
- 2) Competition Policy
- 3) Dispute Settlement
- 4) Government Procurement
- 5) Intellectual Property Rights
- 6) Investment
- 7) Market Access
- 8) Services
- 9) Subsidies/Anti-Dumping

At the April 2001 Quebec City "Summit of the Americas" meeting a "bracketed" (draft) text comprised of each of the nine working groups' drafts was completed. A second draft of the whole agreement was completed at the 2002 FTAA Ministerial in Quito, Ecuador. Negotiators hope to have a final text ready for signatures by heads of state by December of 2004. Country-by-country legislative ratification and implementation would follow by December 31, 2005. Under this timeline, the U.S. Congress would vote on an FTAA under "Fast Track" rules. This outrageous process—narrowly approved by Congress in 2002 for a five year term—delegates away Congress' exclusive Constitutional authority to set U.S. trade policy. It empowers Administration officials to negotiate and sign agreements, with Congress' only role being to vote on the done deal with no amendments, only 20 hours of debate and a guaranteed "yes" or "no" vote 90 days after the White House presents the agreement.



and community or organizational meetings are great leafleting and organizing opportunities. Get involved with local groups fighting corporate globalization and "free" trade. Check out the Citizens' Trade Campaign web-site (www.citizenstrade.org) to find the nearest organizer or coalition.

Stay connected!

There's lots of information on the FTAA online (see the list of links at the end of this pamphlet) as well as organizations' listserves that can keep you up to date on what is happening with the FTAA negotiations and the campaign to stop the FTAA. (Check out www.tradewatch.org for information on how to sign up for FTAA-specific listserves.)

ALPHABET SOUP: TRADE AND GLOBALIZATION GLOSSARY

AGOA: The 2000 African Growth and Opportunity Act ("NAFTA for Africa") requires the 42 sub-Saharan African countries to be certified annually as meeting NAFTA-like terms and IMF-style budget austerity conditions, plus support for U.S. foreign policy foreign goals. Countries that meet these conditions obtain some preferential access to U.S. markets.

CAFTA: The proposed Central America Free Trade Agreement would extend NAFTA-like terms between the U.S., Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica. Launched in January 2003, the deadline for conclusion of negotiations is December, 2003 with implementation targeted for 2004. The U.S. is using CAFTA as a means to push FTAA by extending the NAFTA model piecemeal.

CBI: The Caribbean Basin Initiative initially was a cold war foreign policy program that provided special access to the U.S. market for Central American and Caribbean nations that were U.S. allies in the fight against communism. In 1999, the program was extended by the CBI NAFTA Parity Act that gave NAFTA-equal market access for textiles, apparel and other goods made in the 26-country CBI region (Central America, Venezuela, and Caribbean nations except Cuba).

Fast Track: Fast Track trade authority is a mechanism by which the U.S. Congress delegates its exclusive constitutionally-granted authority to set U.S. trade terms to the

Women are the Primary Family Service-Providers and Employees in the Public Sector

Women, as primary caregivers, are responsible for meeting their families' basic needs such as healthcare, education and water. Additionally, many government employees are women because of access to better jobs in this sector than in the private sector. Women are doubly impacted when public services are "liberalized" (i.e. deregulated and privatized) through trade agreements. First, they lose jobs (under a 1991 IMF privatization plan in Nicaragua, 70 percent of the government workers laid off were women). Then, they take on added unpaid household labor to supply services previously provided by the state.

70% of Traditional Craftworkers in Latin America, Caribbean are Women

Women use traditional knowledge (on fabric dying techniques, designs, etc.) passed down from generation to generation to produce crafts which are their livelihoods. The FTAA provides no protection for them, but does protect vigorously corporate intellectual property rights. While theoretically a craftswoman could apply for a patent on her particular design or product, this requires immense technical knowledge and/or access to money for lawyers to navigate the patent process. Corporations with experienced legal departments and financial resources are able to pirate traditional knowledge by obtaining patents on traditional products or processes, which are then used to flood the market with imported knock-offs.

Women of Color Are the Fastest Growing Population Diagnosed with H.I.V.

The FTAA includes patent protection on essential medicines, including life-saving AIDS drugs. The agreement would make it difficult for countries to produce generic drugs without being sued by pharmaceutical companies seeking trade sanctions or financial compensation for violations of patent rights. Countries would actually have to change their legal system and create criminal penalties for these kind of patent law violations! Pharmaceutical company profits are protected, but women with AIDS are left to fend for themselves.

same treatment as government-operated services. Obviously, governments could not afford to fund the private companies the way our tax dollars fund public services. But without funding, the public services will fail and only the private services will remain. Yet, when essential services have been privatized, quality declines, prices increase and only those who can pay are guaranteed access. FTAA would mean all of us facing privatization and deregulation disasters like the California energy crisis, or the recent closure of Washington, D.C.'s public hospital, which has left many poor Washingtonians with no place to go for healthcare.

Potential FTAA "Barriers to Trade"

- Living wage laws & prevailing wage laws
- Worker health and safety laws; licensing laws & professional standards;
- Rate-mixing and other policies to ensure that consumers can afford electric, gas, water and phone utilities.

The proposed FTAA services agreement also would limit the ability of local, state and national governments to regulate private, for-profit service companies. Quality of service, worker safety, environmental, and other standards would have to be constructed in the "least trade restrictive" manner possible, whether or not that is the most effective. All other policies would be subject to challenge under proposed FTAA rules. Governments would be forced to eliminate policies judged to be trade barriers by closed FTAA tribunals, or face trade sanctions.

Under the proposed FTAA, service sector workers—like those in the manufacturing sector before them—could face substantial job losses. The FTAA would encourage privatization and the "outsourcing" of services ranging from accounting and computer programming to telephone help centers and travel reservations. While workers would not be allowed to migrate freely from country to country under FTAA, there is a proposal to establish "FTAA-visas." Multinational corporations could use these visas to move workers from country to country. This would allow corporations to evade domestic workers' demands for pay raises and to skirt legal requirements to pay workers a living or "prevailing" wage for their services.

These FTAA visa workers would be dependent on their employers for their immigration status, making them highly vulnerable to exploitation. Workers would be pitted against workers and the corporations would be the only winners.

ENVIRONMENTAL ISSUES: TRASHING THE CONTINENT



The proposed FTAA could harm the environment in many ways. Tariff reductions on raw materials (such as wood) would trigger higher levels of trade and consumption of these items, accelerating already rapid rates of deforestation in the Amazon and in old growth forests across the continent. The Americas are rich in natural resources, which the handful of global timber, oil and gas, mining, and fishing mega corporations are eager to control and exploit without the interference of local communities or environmental safeguards.

The proposed investor protections enshrined in the draft FTAA text would grant new rights for foreign businesses to move into currently protected or unexploited areas with governments required to allow them to mine, log or fish. This process already has begun in Chile's temperate rain forests in the wake of the recently concluded U.S.-Chile Free Trade Agreement (FTA). Over-fishing of coastal waters and extensive industrial fishing is also an enormous environmental problem in Chile which local activists were fighting to remedy before the FTA dramatically shifted more power to industries. When local communities are powerless to control extraction industries, terrible environmental crimes are committed, as the world is now learning thanks to the rare insistence of one indigenous Ecuadorian community that is suing Chevron-Texaco to clean up an oil drilling site.

Under the proposed FTAA, many more countries would be vulnerable to these damaging "rip and ship" natural resource extraction operations including strip mining, oil and gas exploration in environmentally sensitive locales, large-scale logging operations and unsustainable fishing practices that poison communities, deplete valuable resources and destroy the habitats of numerous animal and plant species.

WOMEN & THE GLOBAL ECONOMY: WHAT'S TRADE GOT TO DO WITH IT?

*Adapted from briefing papers from the
Women's EDGE Coalition*



Women are 70% of the World's Poor

The negative impact of corporate globalization on the poor is disproportionately

shouldered by the world's women. Despite repeated requests by civil society, the U.S. government has no gender-specific data on NAFTA's impacts and refuses to perform an assessment of the FTAA's potential impact on women.

70-90% of Maquiladora Workers in Latin America, Caribbean are Women

Foreign investment under NAFTA went primarily to the border in the form of maquilas (factories) and brought with it a "race to the bottom" in labor standards. Independent monitoring organizations and worker testimony reveal hourly wages as low as 55-77 cents, 50-80 hour work-weeks, inadequate protection from hazardous chemicals, sexual harassment, mandatory pregnancy testing and intimidation or dismissal for attempts to unionize. Job security is scarce. The corporate country-hopping for the lowest labor costs and weakest environmental laws means no job security for maquila workers anywhere. The FTAA would continue this race to the bottom.

62% of Female Employment in Global South is in Subsistence Farming

Women are the primary subsistence farmers, producing food for domestic consumption. Agreements such as the FTAA demand that governments cut subsidies to traditional crops in favor of cash crops for export and reduce tariffs on agricultural imports. This deadly combination means small farmers can't compete: In Guyana, it is now cheaper to buy French fruit juice than local products, thereby devastating local fruit farmers. The focus on export-led growth encourages multinational agriculture companies to invest in export crops such as flowers versus domestic food crops. Many of the women displaced by cheap imports work in these cash crop plantations where they are exposed to toxic pesticides.

Outside the U.S., the destruction caused by corporate-driven globalization is most severe in some of the most marginalized areas of Africa, Latin America and the Caribbean. In many developing nations, a large portion of the population lives on the land as subsistence farmers. Increased dumping of subsidized food imports from American, European and Asian agribusiness companies has destroyed the livelihoods of millions of local farmers, leading to increased hunger and desperation. The global trade regime has also denied access to affordable medicines for people of color in the Global South. Access to affordable generic drugs could save tens of millions of lives in the struggle against HIV/AIDS, malaria and tuberculosis in Africa, Asia and the Americas. Global outrage over the abuse of WTO drug patent rules forced some progress on this on the WTO front, so the U.S. government, at the behest of big pharmaceutical company interests, is now pushing for extreme new medicine patent rules to go into the FTAA.

Africa Growth and Opportunity Act (AGOA): Something for Nothing

AGOA or "NAFTA for Africa" was sold as providing exciting new trade opportunities for Africans. Instead, AGOA has consolidated U.S. corporate control of the energy sectors of Nigeria and Gabon. At least 75 percent of the increase in trade from Africa has been in oil products. These resource-extraction projects fill corporate coffers while wrecking environmental havoc, displacing indigenous peoples and minimizing technology transfer or local sharing of profits that could help support long-term, sustainable development in host countries.

The record shows that the neoliberal model is failing to deliver promised benefits throughout the global economy. The disproportionate losses that these policies have inflicted on communities of color in the U.S., as well as the wrenching human toll of economic meltdowns in Asia and Latin America, demonstrate the particularly adverse consequences of corporate globalization for people of color at home and abroad.

Proposed FTAA rules also would provide tools for polluters to attack vital environmental and health regulations that we all rely on to keep our families safe. In the draft FTAA text, any domestic policy, from toxic bans to endangered species rules to clean air rules to invasive species policies, that affects trade could be considered a "non-tariff trade barrier" and therefore subject to challenge in closed door FTAA tribunals. Governments' ability to regulate activities that have substantial environmental impacts could be severely undermined by these proposed FTAA rules.

The draft FTAA text includes provisions empowering corporations to sue governments directly in closed tribunals for violations of their new FTAA "investor rights"—when they believe that public interest regulations, such as environmental laws, infringe upon their future profits! This outrageous system, also enshrined in NAFTA's "Chapter 11" investor protections, has generated NAFTA suits by corporations over government regulations or actions aimed at protecting natural resources, banning toxics, zoning land use or even returning contested lands to indigenous community control. These cases are heard by a secret trade tribunal with no direct public representation or input—not a domestic court. If the tribunal rules for the corporation, the government must compensate for the lost "right" to make a profit by paying the corporation millions of taxpayer dollars. Under NAFTA, corporations are using these challenges to pressure governments to eliminate environmental standards. If passed, the FTAA would extend these outrageous corporate privileges throughout the hemisphere.

Ethyl Corp. vs. Canada

Canada repealed a federal ban on MMT, a toxic chemical, after the U.S.-based Ethyl Corporation (which manufactures MMT) filed a NAFTA Chapter 11 complaint. In addition to reversing the ban, the Canadian government paid Ethyl Corporation \$13 million in damages to settle the case. In a bizarre reversal of standard practice, instead of a polluter paying for damage done by its products or actions, the NAFTA model forces countries to "pay the polluter!"

Finally, the rules governing the service sector in the proposed FTAA would make it difficult for governments to regulate and/or limit activities such as oil exploration and drilling, mining, logging, water extraction and even transport and tourism-related activities. These activities, which are causes of severe environmental damage worldwide, are all services that proposed FTAA rules could cover. These rules would prohibit governments from setting limits on the size or quantity of foreign-owned service operations. This means, for example, that while the U.S. could keep domestic companies out of ecologically sensitive areas, it would be required to allow foreign energy companies to build an unlimited number of rigs or extract an unlimited amount of oil. To add insult to injury, foreign service sector corporations also could challenge domestic environmental regulations by claiming that the cost of compliance would undermine their FTAA investor rights to expected profits.

Environmentally harmful activities promoted by free trade agreements

Oil drilling ~ Pipelines ~ Mining ~ Water extraction ~ Waste incineration ~ Logging ~ Factory fish and shrimp farms

These well-established environmental costs of corporate-driven globalization are always disproportionately born by communities of color in both developed and developing countries. The 2000-mile U.S.-Mexico border is one example of the environmental racism that has occurred under unfettered "free" trade. More than 3000 maquiladoras have left the predominantly Latino population on both sides of the border with a toxic legacy of polluted air, contaminated land and poisoned water that has yet to be addressed.

The environmental problems that would occur under the proposed FTAA—the clearing out of old growth forests, increased strip mining and oil drilling—would be concentrated in indigenous and poor communities throughout the Americas and Caribbean. While the specific impacts in countries like Brazil, Honduras, Guyana or the Dominican Republic would differ from those seen on the border, the underlying pattern of injustice would be spread by FTAA.

assistance, immigrants are often seen as less deserving - perceived as if they have left their homes "by choice" hoping to "improve" their economic situation. Yet the dismal NAFTA economy has left many Mexicans fighting for survival: they have become refugees from the globalized economy. While NAFTA requires that capital flows freely across international borders, movement of NAFTA's Mexican economic refugees is criminalized. FTAA would expand this process to 31 more nations.

Efforts to accelerate public services commodification via trade agreements also has especially grave consequences for people of color. The broad privatization of healthcare in the U.S. shows how the privatization of services creates disparities in access between those who can pay and those trapped in poverty. Corporations are targeting U.S. water and energy services as well as education and public transportation. Any further privatization or deregulation of these services through an FTAA would have a disproportionate, devastating impact on communities of color throughout the U.S.

The FTAA also would promote the classification of many local and national government set-asides for women and/or minority-owned businesses as "illegal barriers to trade" because they privilege domestic businesses over foreign businesses. For example, in Baltimore, Maryland a city ordinance that requires bidders on government contracts above \$25,000 to partner or sub-contract with local women and/or minority-owned businesses could come under attack. In FTAA, as in NAFTA, foreign corporations would be empowered to sue a government for compensation in closed trade tribunals over such policies—or the corporations' home governments could use FTAA to demand the elimination of the policies.

Small businesses owned by women of color represented over 50 percent of U.S. government contracts awarded to women-owned businesses.

- 1997 figures from Women's Edge, WEDO Primer: "Women and Trade", November 1999

shows that in 1999 and 2000, 37 percent of those unemployed because of NAFTA were Latino. Similarly, although 11.7 percent of the total U.S. population had incomes below the poverty line in 2001, 22.7 percent of African-Americans and 21.4 percent of Latinos had poverty income.

Prison Privatization: Free Labor, Free Trade

In 2001, private, for-profit jail and prison management contracts yielded revenues over \$2 billion. The U.S. Justice Department records more than 2 million people (not including incarcerated youth) in prison or jail: 50 percent are African-American and 25 percent are not U.S. citizens. Among men between the ages of 20 and 34, 12 percent of African-Americans, 4 percent of Latinos and 1.6 percent of whites are in prison or jail. Creating a pool of essentially "free" prison labor gives corporations another compelling interest in ensuring that prison populations continue to grow. Services negotiations in the FTAA would provide corporations with another tool to push for prison privatization. Expansion of the prison-industrial complex means that immigrants and people of color will continue to be incarcerated at disproportionate rates.

For Latinos in particular, NAFTA has operated as a two front attack on jobs and livelihoods. NAFTA's devastation of Mexico's farm sector has resulted in many rural people who have lost their farms and livelihoods to NAFTA migrating across the border into the U.S., desperate for work. Those who survive the perilous journey have been highly vulnerable to exploitation as immigrant workers. Since NAFTA's implementation, migratory labor has evolved as a key component of corporate globalization. U.S. corporations actively recruit workers from Mexico and other poor countries to perform hazardous, low-paid labor in the U.S., frequently under what amounts to slave-labor conditions. Migration for many is less about seeking a better life and more about simply seeking a means to live. While refugees are recognized as deserving of protection and

YOU ARE WHAT YOU EAT: CORPORATE AGRICULTURE VS. FAMILY FARMERS



Underlying the proposed FTAA agricultural rules is the concept that food should be treated like any other commodity—with a focus on trade and profit, not on fighting hunger and ensuring peoples' survival. Multinational grain traders, agribusiness cartels and food processors have had a major hand in writing FTAA, so it's not surprising they would be the winners under the proposed rules. Millions of people throughout the hemisphere rely on food they grow on small subsistence farms for their daily survival. FTAA rules would destroy these producers while promoting the transformation of the farmland they lose into vast plantations of intensive, chemical-soaked, industrial agriculture where a small number of the once-independent farmers can toil as exploited labor.

Trade agreements like NAFTA and WTO already have contributed to unprecedented control by global food cartels over access to seeds and other supplies, prices paid to farms for crops and food distribution systems. By 2000, the largest five grain trading companies controlled 75 percent of the world's corn, wheat, and soybeans. Consider what NAFTA has meant for family farmers in the United States, Canada and Mexico. In the U.S. alone, over 38,310 small farms (with less than \$100,000 annual income) disappeared between 1995 and 2002, as the prices paid farmers crashed to record lows. ADM's profits leapt from \$110 million in 1993 to \$511 million in 2003, while Cargill's net earnings from 1998 to 2002 alone jumped from \$468 million to \$827 million. ADM and Cargill are two of the four agribusinesses that control 81 percent of the world's corn trade.

Ironically, while large multinational agribusiness cartels are the main beneficiaries of the globalization of agriculture, they are also the main recipient of government agricultural subsidies. These massive payments, which amounted to \$170 billion in the most recent U.S. Farm Bill, encourage overproduction. Too much supply suppresses the prices paid to farmers—which has pushed prices for some crops as low as 46 percent below the cost of production. Worse, the NAFTA-FTAA model not

only allows dumping of these low-priced crops in other countries, but under NAFTA, food dumping has increased. Competition against this dumped food pushes small-scale farmers into bankruptcy in both developing and developed countries. Dumping is particularly devastating for *campesinos* in developing countries, who are too poor to protect their agricultural sectors with massive subsidies, and have been forced to remove many protections—such as quotas against dumped food—as part of trade agreements or because of International Monetary Fund (IMF)/ World Bank loan conditions.

Family Farms vs. Agribusiness

Throughout the Americas, large agribusiness operations are trying to buy up the best lands. They have relied heavily on toxics, such as pesticides and chemical fertilizers, to maximize production on this land of a single crop for export. As a result, millions of poor farmers have become starving migrants, the productive capacity of these valuable soils has plunged, there has been significant damage to biodiversity, and pests have become resistant to pesticides. Small, local farmers, in contrast, tend to contribute to broad-based regional development, conserve biodiversity on and around their farms by using a variety of local, saved seeds, and protect long term soil productivity through crop rotation and set-asides.

Excerpted from the Institute for Food & Development Policy/Food First!

The result? More hunger! The world produces more than enough food to feed everyone, but unfair trade rules threaten the ability of people, localities, regions, and nations either to grow food of sufficient quantity, variety and quality to meet nutritional needs or to buy it. The global small farmer network Via Campesina calls for recognition of the right to "food sovereignty." This means that control of land and seeds is in the hands of local farmers and that governments can guarantee food security to their inhabitants. Instead, FTAA rules will make every country dependent on the large food trading corporations which drive out small-scale farmers and then jack up consumer food prices. Consider Mexico under

NAFTA. Dumped U.S. corn caused real prices paid to farmers there to drop 70 percent, which has resulted in the destruction of an estimated 2.7 million farm jobs since NAFTA came into effect. According to trade theory, these "displaced" campesinos will be re-employed in a more productive sector of the economy. In reality they are forced to migrate to urban areas where unemployment and under employment is the norm. Or they move to the border maquiladoras where workers typically do not earn enough to pay for basic staples, including tortillas, the price of which has increased more than 50 percent under NAFTA even as corn prices have plummeted.

CORPORATE GLOBALIZATION'S DISPROPORTIONATE IMPACT ON PEOPLE OF COLOR



Issues of rising joblessness, poverty, migration, the for-profit prison industrial complex, the criminalization of youth, and declining quality of healthcare, education and other public services can galvanize linkages between the Racial Justice and Anti-Corporate Globalization movements. Economic and social indicators paint a picture of growing gaps not only between rich and poor, but also between white people and people of color. Communities of color worldwide bear a disproportionate share of the costs of corporate globalization through heightened exposure to the environmental risks, job losses, reduced access to essential public services because of privatization, economic migration and migrant worker exploitation that results from pacts such as the proposed FTAA.

"For African Americans, the unemployment rate in June was 11.8 percent...For whites, it rose to 5.5 percent in June."

New York Times
July 4, 2003

Overall U.S. employment trends show the disproportionate impact of growing unemployment on people of color. As well, analysis of the major program to help individuals who lost their jobs due to NAFTA